

Lesson 5: Payment Administration

What We Will Learn

- ◆ Requirements and restrictions covering the submittal of PBP requests/invoices
- ◆ PBP administration, approval, and payment requirements

PBP Payment Authorization

- ◆ FAR Subpart 32.10 - PBPs
 - 32.1007(a) – Responsibility
 - The contracting officer responsible for administration of the contract shall be responsible for review and approval of PBPs

Payment Controls

- ◆ FAR 52.232-32 - PBPs

- 52.232-32(a)

- Amount of payments and limitations on payments shall be specified in contract's description of basis for payment

Payment Controls (cont'd)

- ◆ 52.232-32(b)
 - Contractor may submit requests for PBPs not more frequently than monthly in a form and manner acceptable to contracting officer
 - Unless otherwise authorized by contracting officer, all PBPs in any period for which payment is being requested shall be included in a single request, appropriately itemized and totaled

Payment Controls (cont'd)

- ◆ 52.232-32(c)(1)
 - Contractor shall not be entitled to payment ... prior to successful accomplishment of the event or performance criterion for which payment is requested

Payment Controls (cont'd)

- ◆ 52.232-32(c)(2)
 - Payment under PBP clause is a contract financing payment under Prompt Payment clause
- ◆ FAR 52.232-25 – Prompt payment

Payment Controls (cont'd)

- ◆ DFARS Subpart 232.10 – PBPs
 - 232.1001 Policy
 - (d) The Contracting Officer shall use the following standard prompt payment terms for PBPs: The contractor entitlement, if any, specified in the contract, or 14 days after receipt by the designated billing office of a proper request for payment, whichever is later.

PBP requests

- ◆ Contractor cannot invoice more frequently than monthly, but invoice may contain multiple events
- ◆ Contractor should use WAWF to submit his payment request

PBP requests (cont'd)

- ◆ If WAWF is not used
 - Invoice must be marked “PBP” or “PBPs” and display appropriate PBP request number
- ◆ Invoice must include contractor certification, as prescribed at FAR 52.232-32(m)

PBP request

Contractor Certification

I certify to the best of my knowledge and belief that-

(1) This request for Performance-Based Payment is true and correct; this request (and attachments) has been prepared from the books and records of the Contractor, in accordance with the contract and the instructions of the Contracting Officer;

(2) (Except as reported in writing on _____), all payments to subcontractors and suppliers under this contract have been paid, or will be paid, currently, when due in the ordinary course of business;

Contractor Certification (cont'd)

(3) There are no encumbrances (except as reported in writing on _____) against the property acquired or produced for, and allocated or properly chargeable to, the contract which would affect or impair the Government's title;

(4) There has been no materially adverse change in the financial condition of the Contractor since the submission by the Contractor to the Government of the most recent written information dated _____ 5-12 _____;
and _____
Financing - PBPs

Contractor Certification (cont'd)

(5) After the making of this requested Performance-Based Payment, the amount of all payments for each deliverable item for which Performance-Based Payments have been requested will not exceed any limitation in the contract, and the amount of all payments under the contract will not exceed any limitation in the contract.

Signed _____

Date _____

Receipt of Request

- ◆ If the request is manually submitted
 - Date of receipt at CMO must be stamped on PBP request
 - Request must include payment instructions when multiple ACRNs are involved

Receipt of Request (cont'd)

- Contractor should assign properly structured shipment number (PBP request)
 - 7-character, alphanumeric invoice number
 - PBPA: 4 character prefix for US funded
 - PBPB: 4 character prefix for FMS funded; also must include break out by country code [DFARS 232.1007(b)(2)]
 - Last 3 characters are numeric and should be sequentially numbered, e.g., PBPA001, PBPA002
- ACO required to assign shipment number (PBP request) if contractor omits it

Request Review and Approval

- ◆ Designated team members confirm successful completion of payment event and provide findings to ACO
- ◆ ACO verifies receipt of required event completion documentation
- ◆ ACO approves or rejects request as appropriate

PBP Request Transmission

- ◆ For manual submissions, ACO transmits approved request to payment office IAW prompt payment clause timeliness
- ◆ Electronic submissions automatically flow to MOCAS when the ACO approves and submits the request

PBP Request Transmission (cont'd)

- ◆ ACO's transmittal of approved manual PBP request to payment office should be preferably accomplished via facsimile process
 - Current DFAS DCC fax numbers are found at <http://home.dcma.mil/dcma-pi/DFASedmfax.htm>

PBP Request Transmission (cont'd)

- ♦ ACO must maintain original requests that have been manually processed in the official contract file in EDW
- ♦ Electronically submitted requests will be retained in WAWF

Validate Payment

- ◆ Verify successful PBP disbursement in MOCAS
 - PBP disbursements are recorded in Progress Payment Unliquidated Obligation (PPULO) field in MOCAS
- ◆ Did appropriate ACRN distribution occur?
- ◆ Were special payment instructions followed by payment office, if applicable?

Special Payment Instructions

- ♦ If more than one appropriation account (or subaccount) funding payments on the contract, the customer must provide instructions to Government payment office for distribution of financing payments to respective funds accounts [FAR 32.1004(c)]

Special Payment Instructions (cont'd)

- ◆ Payment instructions normally provided in Section G of contract
- ◆ Distribution instructions must be consistent with contract's liquidation provisions

ACO Responsibility

- ◆ New contracts and modification should be reviewed to determine if there are multiple appropriation accounts (ACRNS)
 - Ensure the customer has included PBP distribution instructions (normally Section G of the contract)
 - *If instructions are missing, promptly ask the customer to modify the contract to include PBP distribution instructions*

ACO Responsibility (cont'd)

- ◆ Prior to transmittal of approved request to the payment office, ACO must ensure that:
 - Amount to be paid and appropriations to be charged are specified [FAR 32.1007]
 - If submitted manually, included on the ACRN worksheet
 - If submitted electronically, included on the ACRN tab in WAWF
 - Manual requests are clearly marked as PBP request for easy identification by DFAS
 - Marking should be **red** and at least one inch in height

ACO Responsibility (cont'd)

- ◆ ACO must provide distribution instructions in writing to DFAS
 - Preferred method is the use of the Progress Payment Special Pay Instructions field in MOCAS
 - If instructions are too lengthy, provide via email, fax or letter
 - Coordinate with DFAS

ACO Responsibility (cont'd)

Caution

It is recognized that DFAS may refer to the ACO notebook, HOWEVER, their desk procedures direct them to review the special payment instruction fields in MOCAS and there is no guarantee that they will refer to the ACO notebook for this contractual information.

Special Payment Instructions Indicator

Connect Close Exit Edit Print Screen Setup Help

CT5803 PROVISIONS DATA

CBUD:

PIIN: N00024 93 C2220	SPIIN:	ORG: WU
TOTAMT-CONT: 235723145.87	OBLAMT-CONT: 237416483.68	
UNL-DU-CONT: 15680173.63	OBLAMT-OTH: .00	
UNLQ-DU-PP: 12434578.16-	WITHHOLD: 567841.00	
RSURD-FNDS: .00	CANCLD-FNDS: .00	
CST-CONTR: .00	FEE-CONTR: .00	
SPC-CON-PUN: CD	DISCNT-TRMS:	
DISC-DY-NET:	DISC-IN-OTH:	CEIL-PCT: 850
PMT-PCT: 850	US-RCP-PCT: 850	FMS-PMT-PCT:
FMS-RCP-PCT:	AUDTR-APRVL:	RVU-CONTRS: 9
PMT-CURNCY:	ADU-PMT-AUT:	SPCL-TOOLNG:
TEC-DATA-RQ: T	LQD-DMG-IND:	PKG-CRG-AUT:
DSTN-SHP-RQ:	WHLD-DATA:	WHLD-NSP:
SHPG-WT-DIM:	FRT-CRG-AUT:	MIN-SIZ-SHP:
CRIT-DES-CD: C	FIN-ACTN-CD: 3	PAYG-OFC: HQ0338
IBOP-IND:	IBOP-CTY-CD:	IBOP-PCT:
IBOP-CGY-CD:	PRE-PROD-SP:	NCLEL-PY-PU:
BVN-INST-RQD: Y	PROGPAY-INST-RQD: Y	SPCL-PAY-RQD: Y

- 3 different types of Special Payment Instruction Indicator fields.
 - BVN-INST-RQD: A "Y" indicates that special payment instructions exist for Bureau Voucher Number (BVN) type payment requests (cost vouchers).
 - PROGPAY-INST-RQD: A "Y" indicates that special payment instructions exist for Progress Payment/Performance-Based Payment requests. (Also known as Distribution Instructions)
 - SPCL-PAY-RQD: A "Y" indicates that specific contract line item has special payment instructions.
- If the appropriate instruction field contains an "N", payments will be prorated across

Remember ...

- ◆ Customer's responsibility to put payment instructions in contract funded by multiple appropriations
- ◆ ACO's responsibility to ensure that payment instructions are entered correctly into MOCAS by DFAS
- ◆ If instructions require correction, Trusted Agent can make necessary corrections

What We Learned

- ◆ PBP request must be prepared properly and must include contractor certification
- ◆ There are requirements that must be met when processing PBP requests
 - Request receipt
 - Request review and approval
 - Request transmission
 - Payment validation